

S-E-C-R-E-T

CENTRAL INTELLIGENCE AGENCY

Office of the Chief, Economic Research

Office of Research and Reports

Project Action Memorandum

Project No. 42.666

DATE: 17 February 1955

TITLE: Soviet Gold Shipments to Finland and Denmark

REQUESTER: RQM/OIS

25X1A

TERMS OF REFERENCE: 1. Per Case No. [REDACTED] (memo dated 4 Feb 55)
2. To be prepared in transcript form (Orig. and 2 to St/PR)

RESPONSIBILITY:

	<u>Man-Hours</u>	<u>Due Date</u>	<u>Concurrence (Initials)</u>
<u>Action Division:</u> D/S		16 May 55	[Signature]
<u>Branch:</u> S/TF	75		
<u>Staff</u> : St/PR	25X1A		
<u>Project Monitor:</u> [REDACTED]	x 2803		

[Signature]

This project will not delay completion of currently scheduled projects.

The classification of this project will be no higher than SECRET.

APPROVED: E La Ch/E

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C O P Y

24 May 1955

25X1A

MEMORANDUM FOR: [REDACTED]

SUBJECT : Soviet Gold Shipments to Finland and Denmark

REFERENCE : [REDACTED] (Project 42.666)
ORR/IP-397

25X1A

Transmitted herewith is a study prepared in response to subject request. This study, based on a careful survey of available information, develops no answer to items (e) and (f) of your request, in view of the limited number of transactions involved.

/S/ OTTO E. GUTHE
Assistant Director
Research and Reports

Attachment

(23 May 1955)

St/PC:EH:ew

Distribution:

0 & 1 - Addressee
2 - AD/RR
2- St/PC

25X1A

Filed in [REDACTED] file

~~SECRET~~

~~SECRET~~

Approved For Release 2000/06/14 : CIA-RDP79T01049A001200090001-8

Office Memorandum • UNITED STATES GOVERNMENT

TO : AD/RR 25X1A
THRU : Chief, E
FROM : Chief, D/S *by* [REDACTED]

DATE: 16 May 1955

SUBJECT: Submission of Project 42.666, Soviet Gold Shipments to Finland and Denmark

1. This study was done at the request of DD/P and adequately fulfills this request.

2. The scope of the paper is limited to the specific request, but within this limitation represents an analysis based on all available information.

3. No special priority is requested, but an advance draft copy should be forwarded to DD/P.

X
not necessary
— no rush, per
St
16 May 55

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~~SECRET~~

SECRET

STANDARD FORM NO. 64

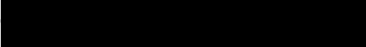
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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief/E
THRU : Chief, D/S
Chief, S/TF

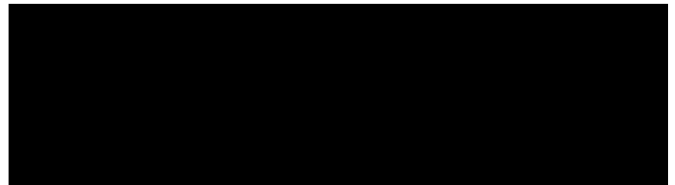
DATE: 16 May 1955

FROM :  25X1A

SUBJECT: Certification of Classification of Project 42.666

This is to certify that no information of higher security
classification than SECRET, FOR OFFICIAL USE ONLY was used in
the preparation of this paper.

25X1A



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4 February 1955

MEMORANDUM FOR: Assistant Director for Research and Reports

SUBJECT : Soviet Gold Transshipment to Finland and
Denmark

REFERENCE :

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1. As discussed with [REDACTED] of your office, we are interested in obtaining background information on the Soviet transshipment of gold to Finland and Denmark in order to determine what operational possibilities exist. Points in which we are especially interested are:

a. The amount of gold on a periodic basis, transferred during the past two years.

Point to Point

b. The method and means of transferring the gold.

Reduping

c. The regularity with which the gold is shipped.

d. The employment of the ^{same} source or different individuals for handling the shipments; for accompanying the shipments.

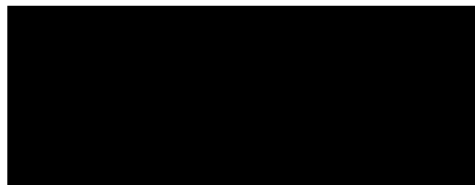
e. The use of the same train or ship for shipments.

f. The establishment of "patterns" in any phase of the shipments.

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2. Any questions pertaining to this request may be referred to [REDACTED] on extension 8641.

25X1A



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5 January 1955

Eleanor,

Quoted below is a request I received just before I left for the holidays.

1. It is requested that this office be furnished with all available information on the sale, transfer, and transshipment of Soviet gold between Denmark and the USSR and between Finland and the USSR.

25X1A

25X1A 2. Information of the type furnished in [REDACTED] for the countries specified above would be of value to this office.

* * * * *

Do you have any ideas on this?

25X1A [REDACTED]

25X1A

Ok - To Bill
10/17/55
Revised &
specifications if possible
or. possibly
requirements

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CENTRAL INTELLIGENCE AGENCY

Office of the Chief, Economic Research

Office of Research and Reports

Date 16 May 1955

MEMORANDUM TO THE CHIEF, ECONOMIC RESEARCH

Attention: Chief, Planning and Review Staff

SUBJECT: Transmission of Draft Report, Ch/E Project No. 42,666Title: Soviet Gold Shipments to Finland and Denmark

25X1A

Author: [REDACTED]

COMMENTS: Subject draft report (original and 2 copies).

1. Enclosure is forwarded herewith for review and publication. Recommended category: ☒ IS ☐ IN ☐ IS ☐ RA ☒ Other

2. Statement of coordination attached, with initials of individuals and their units. None

3. Arrangements for maps and/or graphics through St/IB with Cartographic Division. None

4. Recommended Dissemination: ☒ Standard ☒ Restricted☒ US OFFICIALS ONLY ☐ EIC Subcommittee ☐ Other, foreign, etc. (attach list)

5. Has information on US military and products or manpower been used? Explain. No.

6. Has direct use been made of the intelligence or information of another agency? Yes.

7. Have all sources been considered in the preparation of this report? Yes.

8. Man-hours utilized by this division in producing this report: 40
Man-hours of other OER Divisions contributing to this report, and (if available) man-hours utilized by each: None9. Estimate Cards: ☐ Have been submitted to Central Economic Estimates File.
☐ Are attached.

10. The analyst responsible for consultation is: None

25X1A [REDACTED] Trade and Finance 8182
(Name) (Branch) (Extension)

11. Comments:

This paper is in answer to a request from D/DP. - K-1943

25X1A

The classification of this transmittal sheet will be changed to conform to the classification of the draft report which it covers.

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To [REDACTED]

24 May 55

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Project 42.666

SOVIET GOLD SHIPMENTS TO FINLAND AND DENMARK

16 May 1955

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SOVIET GOLD SHIPMENTS TO FINLAND AND DENMARK

A. Finland

The movement of gold between the USSR and Finland during the past two years consisted of one shipment valued at \$5 million in 1954. The delivery represented partial payment for Finland's export surplus with the USSR during 1954, as provided for in the trade agreement. It is possible that \$20 million in gold will be shipped to Finland in 1955 as a result of two loans granted by the USSR. ^{1/}

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25X6

In addition to the trade settlement, the trade agreement for 1954 provided for a Soviet loan of \$10 million payable in gold, US dollars or other agreed upon currencies. In January 1955, at the signing of the protocol for the coming year, an agreement was reached providing for a second loan of \$10 million also payable in gold, US dollars or other currencies. The loans may be drawn upon within the next 3-4 years with repayment over 10 years in the same medium in which they were received plus interest at $2\frac{1}{2}$ percent. So far as is known, this is the first gold or convertible currency loan granted by the USSR to a non-Bloc country.

25X1X

pointed out that Finland was under no obligation to draw on the Soviet credit except in so far as it might wish to do so for the purpose of strengthening its exchange reserves. ^{3/} In December 1954, when approving a supplementary

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budget bill, the Diet determined that one-half of the loan should be held by the Bank of Finland to support foreign currency reserves and the other half for "productive purposes." Funds from the loan cannot be allocated for governmental projects but have to go to private firms and state-owned companies. It is understood that efforts will be made to have the Diet permit use of the second loan without the "productive purpose" stipulation. Thus the loan might be distributed among the mortgage banks, the Industrialization Finance Corporation and certain government agencies. ^{4/}

B. Denmark

25X1X□ No Soviet bar gold in any appreciable amounts was received by Denmark in 1953 and 1954. A rumored shipment of 7-10 tons, in late August 1954, was later denied by a Danish Foreign Ministry official. One shipment of gold for technical purposes, mainly dentistry, valued at approximately \$43 thousand, was shipped in July. In August of the same year [REDACTED] the Danes requested a further shipment of gold, valued at approximately \$435 thousand, for technical purposes. The request was refused by the Soviets, however, on the grounds that commercial relations between the two countries had been interrupted by the failure to conclude a trade agreement for the year July 1954-June 1955. ^{5/} There has been no indication since that time of further requests or shipments of Soviet gold.

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The Danish Government in recent years has consistently sought gold from the Soviets in settlement of its trade credit but thus far has achieved no success. Under the terms of the trade agreements that existed prior to July 1954, a settlement in gold, US dollars or other agreed upon currency was to take place if the swing credit was exceeded or if a debit existed at the expiry of the agreement. ^{6/}

Trade protocols signed in the postwar years have not included gold in any form in the commodity lists of goods to be exchanged. The proposed agreement for July 1954 - June 1955, however, included gold and silver valued at 5 million kroner (\$725,000). ^{1/} Thus, if an accord is reached on future trade, Soviet gold may be imported by Denmark for technical purposes.

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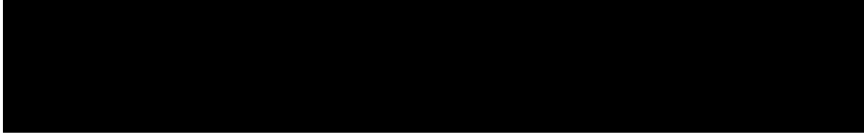
SOURCES:

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1. State, Helsinki. Dsp 683, 16 Jun 54, Soviet Gold Payment to Finland
in Partial Settlement of 1954 Finnish Trade Credit, OFF USE

Army, Helsinki, DA IN 39558, 17 Feb 54, WEEKA 6, ECON pp 1,2, C

Army, Helsinki, DA IN 115680, 2 Feb 55, WEEKA 4, Sec II, ECON, p 4,

C-Modified Handling Authorized
2. State, Helsinki. Dsp 683, op. Cit.
3. Army, Helsinki. DA IN 39558, op. cit.
4. Commerce. "Use of 'Gold' Loans from USSR," Weekly Economic Developments
Abroad, Bureau of Foreign Commerce, 8 Apr 55, p. 5, C
5. 

State, Copenhagen. Dsp 383, 19 Oct 54, Arrival of Soviet Gold in
Several European Capitals, C
6. State, Copenhagen. Dsp 122, 29 Jul 53, Danish-Russian Trade Agreement,

pp. 8, 9. C
7. State, Moscow, Dsp 42, 23 Jul 54, Soviet-Danish Trade Negotiations, p 3, S.

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